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THE TORONTO STOCK EXCHANGE

1/7/72

FILING STATEMENT NO. 1837
FILED, JUNE 1, 1972.

NORTHLAND OILS LIMITED

Full corporate name of Company

Incorporated under the laws of the Province of Alberta on March 9, 1949

Particulars of incorporation (e.g., Incorporated under Part IV of the Corporations Act, 1953
(Ontario) by Letters Patent dated May 1st, 1957).

FILING STATEMENT

(To be filed with respect to any material change in a company's affairs, including among other things,
an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

1. Brief statement of the material change in the affairs of the company in respect of which this statement is filed.

- (a) Increase in authorized capitalization from 5,500,000 common shares, par value 20¢ ("shares") to 11,000,000 shares in December, 1971 pursuant to shareholder approval.
- (b) Proposed acquisition of oil and gas properties and stated liabilities of Lux Petroleum Corporation in consideration of the issuance of 5,370,000 shares of Northland Oils Limited (sometimes herein referred to as "Northland" or the "Company") and the listing of such proposed Northland shares on the Toronto and Calgary Stock Exchanges and a proposed increase in the authorized capitalization to 22,000,000 shares (see Item No. 6 and 12).
- (c) Proposed issuance of share purchase warrants respecting 2,000,000 Northland shares at 50¢ per share and the listing of such proposed reserved Northland shares on the Toronto and Calgary Stock Exchanges (see Item No. 6 and 12).
- (d) Proposed change in effective control of the Company (see Attachment No. 1).
- There are at present 5,268,590 shares of Northland issued and outstanding. National Petroleum Corporation Limited ("National") is the beneficial owner of 1,670,570 shares (31.7% of Northland's issued and outstanding capital). The present directors of Northland are also members of the Board of Directors of National. National may be deemed to control the Company.

Upon consummation of the proposal (see Item No. 6) and the issuance of 5,370,000 Northland shares to the shareholders of Lux and if all the present Lux shareholders were to act in concert, they would be in a position to materially effect control of Northland.

2. Head office address and any other office address.

3412 Republic National Bank Building
Dallas, Texas 75201

3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors.

Office Held	Name and Address	Chief Occupation
President and Director	Dale J. Bertling Chesterfield, Missouri	Executive
Vice-President	Herbert M. Zandmer Calgary, Alberta	Executive
Director	Kent E. Prestwich Pleasant Grove, Utah	Executive
Secretary-Treasurer	W. G. Nichols Calgary, Alberta	Chartered Accountant
Vice-President and Director	James L. Sewell Dallas, Texas	Executive
Assistant Secretary	Lucille Helms Dallas, Texas	Secretary
Subsequent to the proposed merger, it is anticipated that the Company's present Board of Directors will be increased to seven members by the appointment of the following persons to the Board:		
William Moss	Dallas, Texas	Independent Oil Operator
J. Howard Marshall, II	Houston, Texas	Independent Oil Operator
Stuart G. Johnston	Dallas, Texas	Attorney
Robert D. Franklin	Dallas, Texas	Executive

4. Share capitalization showing authorized and issued and outstanding capital.	Authorized: 11,000,000 shares Issued and Outstanding: 5,268,590 shares See also Item 1 (b) re proposed increase in capitalization
5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	Northland has no such liabilities. Channel Oils Ltd., a wholly owned subsidiary of Northland, is indebted to Westates Petroleum Corporation in the amount of \$2,000.00 (U.S.) on a 7 1/2% Note maturing June 1, 1972.
6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.	See Schedule "A" on pages 3 - 5.
7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.	No securities of Northland are presently optioned or being underwritten.
8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.	None.
9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.	Upon consummation of the merger between Lux and the Northland subsidiary, the Company plans to continue development of its foreign concessions, conduct additional drilling in the Gilmer Field, Upshur County, Texas and to acquire and develop producing and non-producing leases in the U.S. and Canada and exploratory concessions in foreign countries. The Company expects that additional financing will be required to conduct these activities and may seek to place an issue of convertible debt for such purposes. Any financing proposed by the Company will be discussed with the Toronto and Calgary Stock Exchanges prior to any such financing being sought.
10. Brief statement of company's chief development work during past year.	During the past year the Company, through its wholly-owned subsidiary, Channel Oils Ltd., participated in the reworking of a number of oil wells located in Iberia and Calcasieu parishes in Louisiana and acquired a working interest in sixteen oil wells located in Jim Hogg County, Texas. During the past year, Lux Petroleum Corporation was engaged in the drilling of one gas well in the Gilmer Field, Upshur County, Texas, and conducted a reconnaissance seismic program on its 122,000 acre concession in the County of Lincoln in England. Lux was also engaged in the drilling of three oil wells in the Province of Frosinone in Italy through its subsidiary, Lumax Oil SpA.
11. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid.	See Schedule "B" on page 6.
12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.	See Schedule "C" on page 7.
13. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement.	None.
14. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)	N/A

DETAILS OF ANY TREASURY SHARES OR OTHER SECURITIES NOW THE SUBJECT OF ANY UNDERWRITING, SALE OR OPTION AGREEMENT OR OF ANY PROPOSED UNDERWRITING, SALE OR OPTION AGREEMENT

Pursuant to an agreement dated March 10, 1972 between Northland, N. L. Corporation ("Northland Subsidiary"), and Lux Petroleum Corporation ("Lux"), Northland proposes to issue 5,370,000 shares in consideration for the acquisition of all the assets and assumption of all liabilities of Lux. Lux, a Delaware corporation, is a private company with seven shareholders including Universal Petroleum Property, Ltd. ("U. P. P.") engaged in the acquisition and development of oil and gas properties, as fully described in the accompanying engineer's report. To accomplish the foregoing, Northland has incorporated Northland Subsidiary, a wholly-owned Delaware corporation solely for this purpose to effect the merger between the Northland and Lux asset interests. It is proposed that the Northland Subsidiary shall be the surviving corporation and it will acquire all the assets and will assume all of the stated liabilities of Lux by the doctrine of merger under Delaware law in consideration for which Northland will issue to each Lux shareholder of record as of the effective closing date ten Northland shares for each share of Lux common stock surrendered to it for cancellation.

Lux presently has in existence warrants ("Lux warrants") issued January 15, 1971 entitling in total eight warrant holders, all of whom are non-residents of Canada, to purchase in the aggregate 200,000 shares of Lux common stock for a consideration of \$1,000,000 (U.S.). Northland proposes, as of the effective closing date, to convert the existing Lux warrants into Northland warrants to purchase 2,000,000 Northland shares for a consideration in total of \$1,000,000 (U.S.) on the terms and conditions mutatis mutandis set forth in the Lux warrants and provided that Northland Subsidiary assumes as well the obligations of Lux under the proposed Northland warrants.

The proposed Northland warrants shall contain the following general provisions. They shall be exercisable at the price of one warrant plus 50¢ (U.S.) into one Northland share until they expire on January 15, 1976. Such warrants are to be exercisable in whole or in part and from time to time until expiration. They shall contain standard anti-dilution clauses and adjustment clauses in respect of future issues of Northland shares for less than 50¢ (U.S.) per share (or its equivalent) subject to certain limited exceptions. Northland shall give such registered warrant holders written notice of certain proposed corporate events significant to such warrant holders. The warrants shall be transferable subject to the Securities Acts of Alberta, Ontario and the United States of America and of such other jurisdiction as Northland may become subject thereto. After January 15, 1973, Northland will "piggy-back" qualify for distribution to the public, warrants or warrant stock provided that warrant holders holding at least 100,000 Northland warrants so request. The request must be within thirty days from Northland giving notice of intention to generally qualify its securities in such jurisdiction as in which Northland shall file a prospectus (or equivalent) in respect of a future issue of its authorized but unissued securities. However, this right of the Northland warrant holders is subject to the provision that such piggy-back qualification would not interfere with the salability of such securities being issued by Northland and subject to such warrant holders wishing qualification bearing their aliquot related cost of filing such prospectus.

Immediately prior to the closing of the merger, a certain corporate shareholder of Lux holding 50.7% of Lux's outstanding capital, U. P. P., a Bahamian company, shall have dissolved and thereby its shareholders shall have become shareholders of Lux. There are approximately 100 shareholders of U. P. P., none of whom are residents of Canada. The two largest shareholders of U. P. P., Leon and Lea Levy (husband and wife) hold 7.8% and 11.9% respectively of U. P. P. or a total of 19.7%. The next largest shareholder of U. P. P. holds 5.2% of U. P. P. and the bulk of the remaining U. P. P. shareholders hold between 2% and 0.5% of U. P. P. (see also Item No. 12).

Immediately after the effective closing date of the merger:

1. Northland, through its wholly-owned subsidiary, Northland Subsidiary, shall own all of the assets and shall have assumed all of the stated liabilities of Lux;
2. Northland will have outstanding share purchase warrants for 2,000,000 of its shares of its common stock;
3. All of the Lux shareholders, none of whom are residents of Canada, shall have become Northland shareholders;
4. Lux, as a corporate entity, shall have ceased to exist;
5. The number of Northland shareholders shall have increased by a number slightly in excess of 100.

Schedule "A" (Con't)

Lux and Northland will each hold special meetings of their respective shareholders for securing approval of this proposal. Northland will also request its shareholders to approve a special resolution to increase Northland's authorized share capital from 11,000,000 to 22,000,000 shares.

An application will be made to both the Securities Commission of Alberta and Ontario that the issuance of the 5,370,000 Northland shares to the Lux shareholders and the possible issuance of up to 2,000,000 Northland shares to the present Lux warrant holders on their respective exercises of the proposed Northland warrants and the subsequent sale of any such Northland shares through the facilities of registered dealers trading on the Calgary Stock Exchange and/or the Toronto Stock Exchange will not require registration under the respective Securities Acts of Alberta and Ontario unless such Lux shareholders and/or Lux warrant holders would form a control block or part of a control block of Northland shares at the time of such sale.

The closing of the merger will be within ten days after the Northland shareholder approval of the merger and merger agreement and the increase in the authorized capital to 22,000,000 Northland shares, which meeting shall not be held sooner than five days after the Lux shareholders' meeting to approve the merger and merger agreement, which respective approvals are conditions of the proposed merger, and the receipt of tax rulings by Northland from the Internal Revenue Service (U.S.), in form satisfactory to Northland, to the effect that:

(i) the merger of Lux into the Northland Subsidiary in the form described in the merger agreement is not in pursuance of a plan having as one its principal purposes the avoidance of U.S. federal income taxes within the meaning of Section 367 of the Internal Revenue Code of 1954;

(ii) the merger of Lux into the Northland Subsidiary under the applicable laws of Delaware, whereby the Northland Subsidiary will receive not less than 90% of the fair market value of the net assets of Lux, will constitute a reorganization within the meaning of Sections 368(a) (1) (A) and (a) (2) (D) of the Internal Revenue Code of 1954;

(iii) no gain or loss will be recognized to Northland or the Northland Subsidiary upon the transfer of property to the Northland Subsidiary, and no gain or loss will be recognized to Northland or the Northland Subsidiary upon the merger of Lux into the Northland Subsidiary;

(iv) no gain or loss will be recognized to the shareholders of Lux upon the exchange of their Lux common shares for Northland shares (except for any Lux shareholders who receive cash in exercise of statutory dissenter's rights); and

(v) the basis of the stock of the Northland Subsidiary owned by Northland will be an amount of cash and basis of other property transferred by Northland to the Northland Subsidiary, increased by the basis of the assets of Lux in the hands of the Northland Subsidiary reduced by the liabilities of Lux which are assumed by the Northland Subsidiary.

and the receipt of a tax ruling by Lux from the Internal Revenue Service (U.S.) in form and substance satisfactory to Lux, to the effect that:

(i) the merger of Lux into the Northland Subsidiary in the form described in the merger agreement is not in pursuance of a plan having as one of its principal purposes the avoidance of U.S. federal income taxes within the meaning of Section 367 of the Internal Revenue Code of 1954;

(ii) the merger of Lux into the Northland Subsidiary under the applicable laws of Delaware, whereby the Northland Subsidiary will receive not less than 90% of the fair market value of the net assets, will constitute a reorganization within the meaning of Sections 368(a) (1) (A) and (a) (2) (D) of the Internal Revenue Code of 1954;

(iii) no gain or loss will be recognized to Lux on the transfer of its assets to and the assumption of its liabilities by the Northland Subsidiary pursuant to the merger; and

(iv) no gain or loss will be recognized to the shareholders of Lux upon the exchange of their Lux common shares for Northland shares (except for any Lux shareholders who receive cash in exercise of statutory dissenter's).

Standard protective representations and warranties (and specialized protective representations and warranties as they relate to the status of Northland and Lux respectively) in respect of the corporate matters, assets, undertakings and financial affairs of Lux on the one hand and Northland and the Northland Subsidiary on the other hand respectively were exchanged in the merger agreement.

Schedule "A" (Con't)

Northland and Lux are to be able to make a full investigation of the assets in business of each other under the merger agreements and no representations and warranties are to survive the closing of the merger agreement.

No material encumbrances or transactions are to be entered into by Northland or Lux respectively between the date of the merger agreement and the closing of the merger without receiving the other's consent and each has agreed to operate their respective businesses in the ordinary course to closing.

Northland, prior to closing, has undertaken to use its best efforts to list on the Toronto Stock Exchange and the Calgary Stock Exchange the 5,370,000 Northland shares to be issued in the closing of the merger and the 2,000,000 Northland shares to be reserved for the possible exercise of the proposed Northland warrants.

The merger agreement may be terminated under the following circumstances:

- (a) The mutual consent of the Boards of Lux and Northland.
- (b) By the Board of either Lux or Northland if the merger is not completed by July 31, 1972.
- (c) By the Board of either Lux or Northland if the merger becomes inadvisable or impracticable by reason of governmental authority action or proposed action or by reason of private material litigation.
- (d) By the Board of either Northland or Lux if the shareholders of Lux or Northland shall not approve the merger agreement and the merger or the Northland shareholders do not approve the increase in the authorized capital to 22,000,000 shares.
- (e) By the Board of Northland or Lux if the amount required under the law of Delaware to be paid to stockholders of Lux dissenting from the merger shall exceed 10% of the fair market value of the Lux net assets.

Closing of the merger agreement by Northland shall be subject in general terms (among others) to the exchange of standard closing documentation and the receipt of favourable opinions and advice from counsel, tax advisors and auditors of Northland and Lux respectively as to the incorporation and organization of the respective companies, the issuance and proposed issuance of Northland shares, the validity of the merger, the undertaking and assets of such companies and various securities aspects and that the transactions resulting from the merger agreement will not result in any gain to Northland or its shareholders under the income tax laws of Canada and the Provinces of Canada to which they are subject. In addition, Northland is to receive from all persons constituting affiliates of Lux or holders of a control block or part of a control block of Lux, instruments stating in substance that any Northland shares issuable to such persons pursuant to the merger agreement will not be acquired with a view to distribution, that none of such Northland shares will be disposed of or encumbered unless prior thereto such persons have received an opinion of counsel for Northland that the proposed disposition or encumbering will not violate the rules and regulations of any governmental authority or stock exchange and such persons will consent to the legending of the share certificates and/or warrant certificates that they hold stating that transferability is subject to the terms of the merger agreement. In addition, it shall be a condition that the Toronto Stock Exchange and the Calgary Stock Exchange shall have approved for listing, upon official notice of issuance, all of the Northland shares which may be issued pursuant to the merger agreement. Additionally, Northland shall have received the aforementioned ruling from the Internal Revenue Service (U.S.). Finally, U. P. P. shall have been dissolved.

The closing by Lux shall be subject in general terms among others to such basically equivalent to the Northland closing conditions mutatis mutandis and the shares to be issued or possibly to be issued upon the exercise of the warrants pursuant to the merger agreement shall be free of escrow and the application to the Alberta Securities Commission and the Ontario Securities Commission as aforesaid with respect to the issuance of such Northland shares and their possible resale shall have been favourably dealt with.

SCHEDULE "B"

NAMES AND ADDRESSES OF VENDORS OF ANY PROPERTY OR OTHER ASSETS
INTENDED TO BE PURCHASED BY THE COMPANY SHOWING THE CONSIDERATION
TO BE PAID

See Item No. 1 and 6. The Company proposes to acquire through a merger with its shell Delaware subsidiary, Northland Subsidiary, all of the assets and to assume all the stated liabilities of Lux Petroleum Corporation, 3303 Lee Parkway, Dallas, Texas, a Delaware corporation, as set forth on the balance sheet of Lux as at December 31, 1971 in consideration for the issue of 5,370,000 Northland shares to the shareholders of Lux, an unassociated company. See also Item No. 1 and 6 with respect to the Lux warrant obligation being assumed and turned into warrants to be issued by Northland to purchase in total 2,000,000 Northland shares. The Lux warrant holders, their addresses and the number of Northland warrants to be issued in respect thereof are as follows:

<u>Name</u>	<u>Address</u>	<u>Number of Northland Warrants</u>
William Moss	4301 Edmondson Dallas, Texas	150,000
J. Howard Marshall	11206 Tynewood Houston, Texas	150,000
Dr. G. E. Gaillard	170 Maple Avenue White Plains, New York	150,000
James F. Breuil	3545 N.W. 58th Oklahoma City, Oklahoma	150,000
E. Pierce Marshall	501 Whitewing Lane Houston, Texas	75,000
William F. Gregory	Holly Hill, Oyster Bay Road Locust Valley, New York	75,000
James H. Sheils	130 Forest Avenue New Rochelle, New York	75,000
The Petroleum Corporation*	3303 Lee Parkway Dallas, Texas	1,175,000
		2,000,000

* The Petroleum Corporation is owned as to 50% by William Moss and as to 50% by J. Howard Marshall referred to above.

SCHEDULE "C"

NAMES AND ADDRESSES OF PERSONS WHO HAVE RECEIVED OR WILL RECEIVE A GREATER THAN 5% INTEREST IN THE SHARES OR OTHER CONSIDERATION TO BE RECEIVED BY THE VENDOR. IF THE VENDOR IS A LIMITED COMPANY, THE NAMES AND ADDRESSES OF PERSONS HAVING A GREATER THAN 5% INTEREST IN THE VENDOR COMPANY

The following persons are the shareholders of Lux:

<u>Name</u>	<u>Address</u>	<u>Number of Lux Shares</u>
William Moss (1)	4301 Edmondson Dallas, Texas	100,000
J. Howard Marshall (1)	11206 Tynewood Houston, Texas	100,000
Leon Levy (2)	3, ch Clos du Velours Geneva, Switzerland	45,000
Lea Levy (2)	3, ch Clos du Velours Geneva, Switzerland	10,000
Max Passante	Via Ponte Milvia 28 Rome, Italy	10,000
Universal Petroleum Properties, Ltd. (2) (3)	23 Rue du Rhone Geneva, Switzerland	272,000
		537,000

- (1) Messrs. Moss and Marshall are also warrant holders of Lux.
- (2) Leon Levy and Lea Levy are husband and wife and are also shareholders of Universal Petroleum Properties, Ltd. Upon the dissolution of U. P. P. and the completion of the merger, Leon Levy would receive approximately 662,307 Northland shares (or approximately 12.3% of the Northland shares to be issued upon the merger) and his wife Lea Levy would receive approximately 423,516 Northland shares (7.9%) or a total of 1,085,823 (or approximately 20.2%).
- (3) Dr. Robert Fontain, 6 rue de la Confederation, Geneva, Switzerland, a shareholder of Universal Petroleum Properties, Ltd. will receive on the dissolution of Universal Petroleum Properties, Ltd. and the closing of the merger, approximately 141,534 Northland shares (or approximately 2.64% of the Northland shares to be issued upon the closing of the merger agreement).

ENGINEER'S REPORT

REPORT ON GAS PROPERTIES
OWNED BY
LUX PETROLEUM CORPORATION
UPSHUR COUNTY, TEXAS
MARCH 20, 1972

SCOPE

The purpose of this report is to describe the gas properties owned by Lux Petroleum Corporation in the Gilmer Area of Upshur County, Texas and present the writer's opinion of the ultimate reserves and future development of the subject properties. The writer has been engaged in working in the area at various times over the past 6 years and personally inspected the subject properties on March 17, 1972. Information regarding well logs, production tests, markets, production history and lease ownership were obtained from the files of Lux Petroleum Corporation and the Railroad Commission of Texas.

LOCATION

The properties are located approximately five miles south of the city of Gilmer in Upshur County, Texas. The properties include working interests in the following producing wells:

<u>Property</u>	<u>Lux Revenue Interest</u>
N. L. Coyle 683.040 acre Gas Unit	0.4356
James L. Johnson 680.191 acre Gas Unit	0.3419
James E. Snow 656.873 acre Gas Unit	0.3210

Lux also owns varying interests in thirteen undeveloped oil and gas leases covering 965.2 acres in the same general area.

PRODUCING HORIZON

The producing horizon on the subject properties is the Cotton Valley limestone of Jurassic age encountered at a depth range from 11,600 to 11,700 feet. The producing zone is a tan to brown, relatively tight oolitic limestone in the South East Gilmer Field. Hydrocarbon entrapment is the result of a combination of structural and stratigraphic conditions. The three subject wells are located in the South Central area of a 14 mile Northeast-Southwest trending structural high, on which there are a total of 22 wells producing from the Cotton Valley limestone in contiguous 640 acre spacing units. Regionally the producing area is in the Northeast portion of the East Texas Basin.

Standard procedures in completing wells to the Cotton Valley formation involves setting casing approximately 200' below the Cotton Valley and acidizing with 1,500-30,000 gallons of acid. Recent procedures utilize gelled water and acid treatments which appear to increase productivity over regular acid treatments. This type of stimulation would probably benefit the subject wells.

PAST PRODUCTION

Producing history for all wells in the Gilmer Area Cotton Valley producing trend is available upon request. Cumulative production from the three wells in which Lux owns an interest was 1,736,000,000 cubic feet of gas and 27,747 barrels of condensate as of December 31, 1971. Production history of older wells in the area indicate a flattening of the rate of decline after two or three years and a stabilized production rate thereafter. Two of the subject wells were completed in 1969 and one well was completed in 1971.

PROPOSED FUTURE DEVELOPMENT

Standard spacing for gas units drilled in the Gilmer Area has been 640 acres per unit. It is anticipated that most of the Lux undeveloped acreage would be included in a gas unit to be formed adjoining presently producing units. It is expected that a well drilled at this location would develop gas reserves similar to those expected for the other wells in the immediate area. The expected drilling and completion cost for a Cotton Valley well would be approximately \$260,000.

MARKETS

Lux's portion of the gas produced from wells in which it has an interest is sold to Arkansas Louisiana Gas Company under terms of a long term agreement providing for a price of 16.68¢ per thousand cubic feet. Condensate is sold to Scurlock Oil Company at a price of \$3.45 per barrel.

RESERVES AND RESERVOIR CHARACTERISTICS

Gross recoverable gas reserves were based on volumetric calculations and were estimated to be 26,999,000,000 cubic feet of gas for the three wells. Average initial condensate production was 17 barrels per million cubic feet of gas and recoverable reserves were based on 60% of initial production and estimated to be 275,389 barrels for the three wells. Gas volumes were computed at a pressure base of 14.7 psia and a temperature of 60° Fahrenheit. Reservoir and reserve parameters are as follows:

	<u>J. E. Snow</u>	<u>Johnson</u>	<u>Coyle</u>
Acreage	640	640	640
Net prod. feet above 6% por.	25'	20'	18'
Avg. por. for prod. feet	9.9%	9.3%	9.1%
Avg. water Saturation	30%	30%	30%
Reservoir temperature	296°F	272°F	273°F
Reservoir pressure	6603 psia	6603 psia	6603 psia
Abandonment pressure	1050 psia	1050 psia	1050 psia
Original compressibility factor	1.14	1.14	1.14
Abandonment compressibility factor	.94	.94	.94
Recoverable Reserves MCF/AF	686	666	651
Productive AF	16,000	12,800	11,520
Gross Rec. Gas Reserves MMCF	10,976	8,524	7,499
Gross Rec. Cond. Reserves Bbls	111,955	86,945	76,489
Initial Absolute Open Flow MCF/Day	5,700	16,500	17,200
Gravity Dry Gas	0.645	0.630	0.620
Gravity Liquid °API	57.6°	58.3°	60.4°
Gravity of Mixture	0.7004	0.684	0.663

EQUIPMENT

James L. Johnson Unit

- 4,227' - 9 5/8" casing
- 11,770' - 7" casing
- 11,510' - 2 3/8" tubing
- 1 - Cameron Wellhead 6000# working pressure
- 2 - 3" Cameron Valves 6000# working pressure
- 2 - 2" Cameron valves 6000# working pressure
- 1 - Cameron adjustable choke
- 1 - Fisher regulator
- 2 - 300 barrel tanks complete with stairway and walkway.
- 1 - Southwest Tank skidmounted high and low pressure separators, and indirect heater - complete with all controls and valves.

J. E. Snow Unit

- 4,227' - 9 5/8" casing
- 11,770' - 7" casing
- 11,510' - 2 3/8" tubing
- 1 - 10,000# working pressure wellhead
- 4 - 2" valves 10,000# working pressure
- 1 - adjustable choke
- 3 - 210 barrel tanks complete with stairway and walkway.
- 1 - National skidmounted high pressure separator and indirect heater - complete with all controls and valves.
- 1 - National skidmounted high and low pressure separator and indirect heater - complete with all controls and valves.

N. L. Coyle Unit

4,210' - 9 5/8" casing
12,030' - 5 1/2" casing
11,493' - 2 7/8" tubing
1 - Cameron Wellhead 10,000# working pressure
2 - 4" Cameron Valves 10,000# working pressure
2 - 2" Cameron Valves 10,000# working pressure
1 - Cameron adjustable choke
1 - Fisher regulator
2 - 300 barrel tanks complete with stairway and walkway.
1 - Southwest Tank skidmounted high and low pressure separator, and indirect heater - complete with all controls and valves.

CAPITAL INVESTED

The capital investment of Lux Petroleum Corporation in the subject properties at December 31, 1971 was as follows:

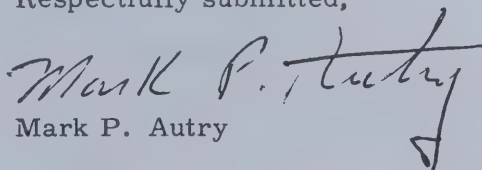
Leasehold acquisition	\$697,187
Intangible drilling costs	80,420
Lease and well equipment	<u>134,004</u>
	\$908,611
 Non-producing acreage	 \$ 16,343

The Coyle and Johnson Units are operated by The Petroleum Corporation, Dallas, Texas. The J. E. Snow Unit is operated by White Shield Oil and Gas Corporation, Tulsa, Oklahoma.

ATTACHMENTS

A map of the subject properties and well logs of the Coyle, Johnson and Snow wells are attached.

Respectfully submitted,


Mark P. Autry

Dated at Dallas, Texas
United States of America
March 20, 1972

The full Report is on file with the Exchange.

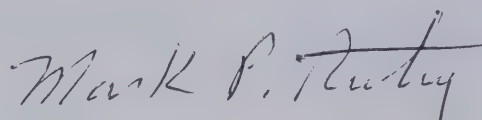
CERTIFICATE

I, Mark P. Autry, of Dallas, Dallas County, Texas, United States of America, hereby certify:

1. That I am a petroleum geologist and that I graduated from Southern Methodist University in Dallas, Texas, with a B. S. Degree in Geology in 1949,
2. That I have practiced my profession of Petroleum Geology since graduation, covering a period of 23 years,
3. That I have no interest nor do I expect to receive any interest, either directly or indirectly, in properties owned by Lux Petroleum Corporation or Northland Oils, Ltd. Further, I do not beneficially own either directly or indirectly securities in either of said corporations or any affiliated company,
4. That the accompanying report is based on personal examination and inspection of the subject properties and upon a study of the records of Lux Petroleum Corporation and reports filed with the Railroad Commission of Texas,
5. That I am a member in good standing of the following professional associations:

Dallas Geological Society
American Association of Petroleum Geologists
American Institute of Mining, Metallurgical, and Petroleum
Engineers

Dated this 20th day of March, 1972.

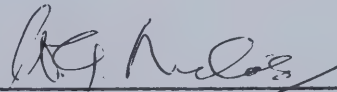

Mark P. Autry
Petroleum Geologist

CERTIFICATE of Secretary-Treasurer with
respect to Financial Statements as of
December 31, 1971

The attached Consolidated Financial Statements of Northland Oils Limited and Subsidiary consisting of:

1. Balance Sheet as at December 31, 1971
2. Statement of Operations and Deficit for the seven month period ended December 31, 1971
3. Statement of Source and Application of Funds for the seven month period ended December 31, 1971
4. Notes to Financial Statements as at December 31, 1971

have been prepared from the books of the Company and, in my opinion, present fairly the position of the Company as at December 31, 1971 and the result of its operations for the seven month period then ended and are in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding fiscal year.



Secretary-Treasurer
NORTHLAND OILS LIMITED

Calgary, Alberta
March 8, 1972

NORTHLAND OILS LIMITED AND SUBSIDIARY COMPANY

CONSOLIDATED BALANCE SHEET

AS AT DECEMBER 31, 1971

FINANCIAL STATEMENTS

ASSETS

CURRENT ASSETS

Cash and Term Deposits
Accounts Receivable - Trade
Inventory - Crude Oil

\$ 22,251.18
3,773.81
1,400.00
27,424.99

INVESTMENTS

Permeator Corporation - 20,000 Common
Shares - at cost
General Hydrocarbon Limited
Partnership - 6.5% interest
Royalty interest - 6% (non-producing)

\$105,062.50
71,649.50
6,563.50
183,275.50

PROPERTY AND EQUIPMENT

Petroleum properties and development
at cost less accumulated
amortization of \$225,898.69
Equipment, at cost less accumulated
depreciation of \$300,514.61

511,201.57
56,047.63

ORGANIZATION COSTS

8,947.53
\$786,897.22

LIABILITIES

CURRENT LIABILITIES

Accounts Payable
Note Payable - due June 1, 1972

\$ 12,547.99
2,000.00
14,547.99

LONG-TERM DEBT

Notes Payable - National Petroleum
Corporation Limited

20,764.16

SHAREHOLDERS' EQUITY

CAPITAL STOCK

Authorized - 11,000,000 shares -
per value 20¢ each
Issued - 5,268,590 shares

\$1,053,718.00

CONTRIBUTED SURPLUS

592,025.31

DEFICIT

(894,158.24)

751,585.07

Approved on behalf of the Board

John A. Stothard
Director

Alvin H. Seidel
Director

NORTHLAND OILS LIMITED AND SUBSIDIARY COMPANY
CONSOLIDATED STATEMENT OF OPERATIONS AND DEFICIT
FOR THE SEVEN MONTHS PERIOD ENDED DECEMBER 31, 1971

Revenue		
Sale of oil and gas		\$ 35,190.65
Interest income		<u>1,101.80</u>
		36,292.45
Expense		
Well operating	\$ 29,474.76	
Interest and Exchange	1,579.54	
Salaries	5,533.36	
General and Administration	<u>7,170.06</u>	<u>43,757.72</u>
Loss before undernoted charges		7,465.27
Amortization of petroleum properties	17,067.35	
Depreciation of equipment	4,063.95	
Loss on inventory disposal	<u>12,698.53</u>	<u>33,829.83</u>
Net Loss for the period		41,295.10
Deficit at May 31, 1971		<u>852,863.14</u>
Deficit at December 31, 1971		<u><u>\$894,158.24</u></u>

NORTHLAND OILS LIMITED AND SUBSIDIARY COMPANY
STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE SEVEN MONTHS PERIOD ENDED DECEMBER 31, 1971

Source of Funds		
By decrease in working capital		<u><u>\$ 61,930.00</u></u>
Application of Funds		
Loss before non-cash items	\$ 7,465.00	
Additions to fixed assets	\$ 19,760.00	
Debt repayment	<u>\$ 34,705.00</u>	
		<u><u>\$ 61,930.00</u></u>

NORTHLAND OILS LIMITED AND SUBSIDIARY COMPANY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SEVEN MONTHS ENDED DECEMBER 31, 1971

1. PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the company and its wholly-owned subsidiary, Channel Oils Ltd. as at December 31, 1971. Inter-company accounts and transactions have been eliminated on consolidation.

Accounts of the subsidiary company recorded in U.S. currency were converted to Canadian currency as follows:

- Current assets and liabilities - at the rate of exchange prevailing on December 31, 1971
- Other assets and accumulated depreciation and amortization - at the rate of exchange prevailing when acquired
- Income and expense items - at the average rate of exchange for the period.

2. DEPRECIATION AND AMORTIZATION

Amortization of petroleum properties and development costs is provided on a full-cost basis whereby a unit of production cost is determined by pro-rating all such costs incurred against total recoverable reserves of crude oil and gas discovered. The company computes depreciation of equipment on a straight-line basis based on an estimated useful life of 10 years.

3. LONG-TERM DEBT

6 3/4% Note payable to National Petroleum Corporation Limited in the amount of \$20,764.16. This amount has been repaid subsequent to December 31, 1971.

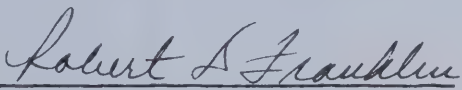
4. REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

Remuneration of directors and senior officers for the period under review amounted to \$5,533.36 on behalf of Channel Oils Ltd. No remuneration was paid by Northland Oils Limited to its directors or senior officers during this period.

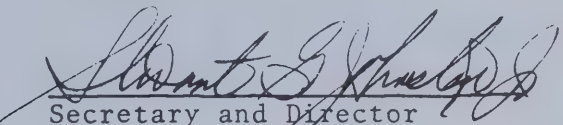
C E R T I F I C A T E

The attached unaudited financial statements of Lux Petroleum Corporation for the six months ended December 31, 1971, have been prepared on a comparable basis with the Company's audited statements for the year ended June 30, 1971, and reflect all adjustments which are, in the opinion of management, necessary to a fair statement of the results of operations for the period included therein.

Dated March 29, 1972.



President and Director



Secretary and Director

LUX PETROLEUM CORPORATION

BALANCE SHEET

DECEMBER 31, 1971

A S S E T S

CURRENT ASSETS

Cash in banks
Accounts receivable

\$ 33,969
55,120

\$ 89,089

PROPERTIES AND EQUIPMENT

Producing oil and gas leases \$ 892,879
Lease and well equipment 139,181
Other equipment 1,068
\$1,033,128
Less accumulated depletion
and depreciation 57,106

\$ 976,022

Non-producing oil and gas
leases and royalties

118,555

\$1,094,577

INVESTMENTS

Lumax Oil S.p.A.
Pemolil S.p.A.

\$ 131,184
37,113

\$ 168,297

DEFERRED CHARGES

Expenditures relating to proposed
foreign oil and gas concession
Deposits

\$ 17,565
925

\$ 18,490

TOTAL ASSETS

\$1,370,453

LIABILITIES AND STOCKHOLDERS EQUITY

CURRENT LIABILITIES

Accounts Payable
Accrued interest payable
Note payable

\$ 57,681
7,793
170,000

\$ 235,474

STOCKHOLDERS EQUITY

Common stock, par value \$0.10
authorized - 5,000,000 shares -
issued and outstanding 637,000 shares
Capital paid in excess of par value
of stock issued

\$ 63,700
1,257,600
\$1,321,300

Less accumulated deficit (136,321)

Less treasury stock (100,000 shares
at cost)

(50,000)

\$1,134,979

TOTAL LIABILITIES AND STOCKHOLDERS EQUITY

\$1,370,453

LUX PETROLEUM CORPORATION

STATEMENT OF SOURCES AND DISPOSITIONS OF FUNDS

FOR THE SIX MONTHS ENDED DECEMBER 31, 1971

FUNDS PROVIDED BY:

From net income for the period	\$ 25,330	
Add: Charges not affecting working capital - depletion and depreciation	<u>20,693</u>	\$ 46,023
From recovery of investment in Petco Special Fund Limited		30,000
From increase in negative working capital	<u>5,970</u>	<u>\$ 81,993</u>

FUNDS APPLIED TO:

To purchase of producing properties	\$ 22,610	
To purchase of office equipment	500	
To purchase of non-producing properties	2,415	
To increase in deferred items	5,285	
To increase in investment	1,183	
To acquisition of treasury stock	<u>50,000</u>	<u>\$ 81,993</u>

LUX PETROLEUM CORPORATION

STATEMENT OF INCOME AND ACCUMULATED DEFICIT

FOR THE SIX MONTHS ENDED DECEMBER 31, 1971

REVENUES:

Oil and gas sales	\$ 34,469	
Proceeds over cost received in partial liquidation of limited partnership	<u>57,810</u>	\$ 92,279

EXPENSES:

Oil and gas lease operations	\$ 6,037	
Depletion and depreciation	20,693	
General and administrative expenses	34,219	
Interest expense	<u>6,000</u>	<u>66,949</u>

NET INCOME \$ 25,330

Accumulated deficit, June 30, 1971 (161,651)

ACCUMULATED DEFICIT, DECEMBER 31, 1971 \$(136,321)

LAWRENCE M. WESSON

Certified Public Accountant

404 BANK OF DALLAS BUILDING

3835 LEMMON AVENUE

DALLAS, TEXAS 75219

To the Stockholders and Board of Directors
of Lux Petroleum Corporation

I have examined the balance sheet of Lux Petroleum Corporation (a Delaware Corporation) as of June 30, 1971 and the related statements of income and accumulated deficit and sources and dispositions of funds for the fiscal year then ended. My examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as I considered necessary in the circumstances.

In my opinion, the accompanying financial statements present fairly the financial position of Lux Petroleum Corporation as of June 30, 1971 and the results of its operations for the fiscal year then ended, in conformity with generally accepted accounting principles consistently applied.

A handwritten signature in dark ink, appearing to read "Lawrence M. Wesson", written in a cursive style.

March 31, 1971

BALANCE SHEET

JUNE 30, 1971

A S S E T SCURRENT ASSETS

Cash in banks	\$ 61,922
Accounts receivable:	
Oil and gas sales	\$ 7,587
Affiliates	12,684
Others (note 9)	<u>20,000</u>
	\$ 102,193
	<u>40,271</u>

PROPERTIES AND EQUIPMENT (note 1)

Producing oil and gas leases (partially pledged - note 7)	\$883,644
Lease and well equipment	125,806
Other equipment	<u>568</u>
	\$ 1,010,018
Less accumulated depletion and depreciation	<u>36,412</u>
Non-producing oil and gas leases and royalties (partially pledged - notes 2 and 7)	\$ 973,606
	<u>116,140</u>

INVESTMENTS

Lumax Oil S.p.A. (note 3)	\$ 130,000
Pemoil S.p.A. (note 4)	37,113
Petco Special Fund, Limited (note 5)	<u>30,000</u>

DEFERRED CHARGES

Expenditures relating to proposed foreign oil and gas concession (note 6)	\$ 12,279
Deposits	<u>925</u>
	13,204

TOTAL ASSETS\$1,402,256

The accompanying notes are an integral part of the financial statements

LIABILITIES AND STOCKHOLDERS' EQUITYCURRENT LIABILITIES

Accounts payable	\$ 11,126
Accrued interest payable	6,960
Note payable (secured by producing properties and equipment - note 7)	<u>224,521</u>
	\$ 242,607

CONTINGENT LIABILITIES (note 8)STOCKHOLDERS' EQUITY

Preferred capital stock- par value \$1.00 authorized - 500,000 shares issued and outstanding - none	-0-
Common capital stock - par value \$0.10 authorized - 5,000,000 shares (note 9) issued and outstanding 637,000 shares	\$ 63,700
Capital paid in excess of par value of stock issued	<u>1,257,600</u>
	\$1,321,300
Less accumulated deficit from operations	<u>(161,651)</u>
	1,159,649

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY\$1,402,256

LUX PETROLEUM CORPORATION
STATEMENT OF INCOME AND ACCUMULATED DEFICIT
FOR THE FISCAL YEAR ENDED JUNE 30, 1971

REVENUES:

Oil and gas sales	\$ 37,432
-------------------	-----------

EXPENSES:

Oil and gas lease operations	\$ 15,348	
Depletion and depreciation (Note 1)	29,013	
General and administrative expenses	90,912	
Interest expense	<u>9,968</u>	<u>145,241</u>
NET INCOME (LOSS)		\$(107,809)
Accumulated deficit, June 30, 1970		<u>(53,842)</u>
ACCUMULATED DEFICIT, JUNE 30, 1971		<u><u>\$(161,651)</u></u>

LUX PETROLEUM CORPORATION
STATEMENT OF SOURCES AND DISPOSITIONS OF FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 1971

SOURCES OF FUNDS

From issuance of common capital stock	\$ 979,050	
From sales of warrants for purchase of 200,000 shares of stock	20,000	
From increase in negative working capital	<u>132,136</u>	<u><u>\$1,131,186</u></u>

DISPOSITIONS OF FUNDS

To net loss for the period	\$ 107,809	
Less non-cash charges for depreciation and depletion	<u>29,013</u>	\$ 78,796
To acquisition of properties and equipment		826,158
To investment in foreign operations		179,392
To investment in limited partnership interest		30,000
To other assets		925
To reduction in prior year's net loss	<u>15,915</u>	<u><u>\$1,131,186</u></u>

The accompanying notes are an integral part of the financial statements.

LUX PETROLEUM CORPORATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1971

1. Properties and equipment are stated at cost to the Company. Substantially all of its properties were acquired from a minority stockholder or from Petco Special Fund, Limited, a limited partnership in which he and another minority stockholder exercise effective control. The combined holdings of such minority stockholders in the Company is 31.4%

Intangible drilling and development costs have been capitalized as incurred.

Depletion has been provided on the unit of production method with respect to each property group, and depreciation has been computed on the straight line method using the estimated useful life of the property to which it pertains.

2. Non-producing properties includes the sum of \$99,797 paid for a 25% interest in a drilling concession comprising 122,000 acres in the United Kingdom. Subsequent to June 30, 1971 the Company elected not to participate in the drilling of a test well and pursuant to the contract terms, its interest was converted to a 1-1/4% royalty in the 14,700 acres comprising the drilling block.

In the event additional drilling on the remaining acreage in which the Company retains its 25% interest should be proposed by the operator, the Company will be required to participate therein proportionately or exchange its interest for a 1-1/4% royalty in the acreage affected by such proposed additional drilling.

3. The Company owns a 48.07% interest in Lumax Oil S.p.A., an Italian Corporation holding a production concession in Italy. Investment therein is stated at cost.
4. Pemoil S.p.A., an Italian corporation, is a wholly-owned subsidiary of the Company formed to obtain and explore a concession adjacent to the production concession held by Lumax Oil S.p.A.
5. The Company purchased an 11.25% partnership interest in Petco Special Fund, Limited, (A Texas limited partnership) for \$30,000. At June 30, 1971 the principal assets of Petco Special Fund, Limited were cash and the Lux Petroleum Corporation note referred to in note 7. Petco Special Fund, Limited made a distribution of cash to its limited partners on July 31, 1971 from which the Company received \$60,809.50 as its share.
6. The Company is attempting to acquire an oil and gas exploration concession in Angola. Costs relating to it have been capitalized pending the outcome of efforts to obtain the concession.
7. In connection with the acquisition of certain of its producing and non-producing properties, the Company executed a note to Petco Special Fund, Limited in the amount of \$224,521 which was due on May 5, 1971 but remained unpaid at June 30, 1971. On July 31, 1971 the Company paid \$54,521 of the principal amount along with accrued interest to May 6, 1971 and executed a renewal note in the principal amount of \$170,000 which was due on November 2, 1971. That note was subsequently renewed and matures on June 30, 1972. The note is secured by a deed of trust covering producing and non-producing properties which are reflected in the balance sheet at approximately \$525,000. By virtue of its ownership of the interest in Petco Special Fund, Limited referred to in note 5, the Company's actual liability is effectively reduced.
8. The Company has subscribed to all of the authorized capital stock of Pemoil S.p.A. (see note 4) for a total of \$78,400, but had paid only \$25,000 at June 30, 1971. The remainder of \$53,400 will be due upon call by Pemoil S.p.A.

In connection with its acquisition and subsequent re-capitalization of Pemoil S.p.A., the Company agreed to issue to the seller 30,000 shares of its common stock in the event the exploration concession held by Pemoil S.p.A. should be converted to a production concession. That event has not yet occurred.

In the event a well is completed in certain specified undeveloped acreage in Upshur County, Texas, the Company may be obligated to pay the sum of \$7,500 to a prior owner of the leases.

9. In connection with its purchase from Petco Special Fund, Limited of oil and gas leases in the Gilmer field in Upshur County, Texas, the Company issued to the seller for \$20,000 warrants to purchase 200,000 shares of its common stock at any time prior to January 15, 1976 at a price of \$5.00 per share; thus, 200,000 shares of common stock are reserved for that purpose. Checks in payment of the warrants have been received and are being held by the Company.
10. Certain events which occurred subsequent to June 30, 1971 are described in notes 2, 5, 7 and 9. In addition, the following transactions also occurred after that date.

On July 14, 1971 the Company reacquired 100,000 shares of its capital stock for \$50,000 payable \$6,250 on that date and \$6,250 per quarter thereafter, without interest, until paid.

On March 10, 1972 the Company entered into an agreement to merge itself into NL Corporation, a wholly-owned subsidiary of Northland Oils, Limited (a Canadian corporation) upon approval of the stockholders of the respective corporations, receipt of a favorable ruling from the United States Internal Revenue Service and approval of certain Canadian authorities. The merger is to be accomplished ten days after receipt of all necessary approvals, after which Lux Petroleum Corporation will cease to exist.

SCHEDULE "D"

NAMES, ADDRESSES AND SHAREHOLDINGS OF THE FIVE LARGEST REGISTERED SHAREHOLDERS AND IF SHAREHOLDINGS ARE POOLED OR ESCROWED, SO STATING. IF ITS SHARES ARE REGISTERED IN NAMES OF NOMINEES OR IN STREET NAMES, GIVE NAMES OF BENEFICIAL OWNERS, IF POSSIBLE, AND IF NAMES ARE NOT THOSE OF BENEFICIAL OWNERS, SO STATE.

Name and Address		NUMBER OF NORTHLAND SHARES AND PERCENTAGE OF TOTAL NORTHLAND CAPITALIZATION			If Warrants are exercised in full
		Before Merger	After Merger		
National Petroleum Corporation Limited 209 - 8th Avenue S. W. Calgary, Alberta T2P 1B8	(1)	1, 670, 570 (31. 7%)	1, 670, 570 (15. 7%)	1, 670, 570 (13. 2%)	
Roytor & Co. No. 1A/C Royal Bank of Canada 20 King Street West Toronto, Ontario	(2)	883, 900 (16. 8%)	883, 900 (8. 3%)	883, 900 (7. 0%)	
Gee & Co. 75 King Street West Toronto, Ontario	(2)	341, 100 (6. 5%)	341, 100 (3. 2%)	341, 100 (2. 7%)	
Sterling Charitable Foundation 75 King Street West Toronto, Ontario		250, 000 (4. 6%)	250, 000 (2. 3%)	250, 000 (2. 0%)	
Donald F. Love c/o Imperial Bank of Canada Calgary, Alberta		100, 500 (1. 9%)	100, 500 (1. 0%)	100, 500 (0. 8%)	
Leon Levy 3 ch Clos du Velours Geneva, Switzerland	(3)	Nil	662, 307 (6. 2%)	662, 307 (5. 2%)	
Lea Levy 3 ch Clos du Velours Geneva, Switzerland	(3)	Nil	423, 516 (4. 0%)	423, 516 (3. 4%)	
Total Levy holdings		Nil	1, 085, 823 (10. 2%)	1, 085, 823 (8. 6%)	
William Moss 4301 Edmondson Dallas, Texas	(4)	Nil			
Directly and indirectly		Nil	1, 000, 000 (9. 4%)	1, 737, 500 (13. 8%)	(4)
J. Howard Marshall 11206 Tynewood Houston, Texas	(4)				
Directly and indirectly		Nil	1, 000, 000 (9. 4%)	1, 737, 500 (13. 8%)	(4)
Total Moss and Marshall		Nil	2, 000, 000 (18. 8%)	2, 475, 000 (27. 6%)	

NUMBER OF NORTHLAND SHARES AND
PERCENTAGE OF TOTAL NORTHLAND
CAPITALIZATION

Name and Address	Before Merger	After Merger	If Warrants are exercised in full
Dr. Robert Fontaine 6 rue de la Confederation Geneva, Switzerland	Nil	141,534 (1.3%)	141,534 (1.1%)
The Petroleum Corporation (4) 3303 Lee Parkway Dallas, Texas	Nil	Nil	1,175,000 (4) (9.3%)
	5,268,590	10,638,590	12,638,590

- (1) National Petroleum Corporation has registered in its name 1,566,000 Northland shares but it beneficially owns 1,670,570 shares.
- (2) Beneficial interest unknown but these appear to be bank nominees. It is assumed that the registered interest of the other shareholders indicated above is their beneficial interest.
- (3) Leon Levy and Lea Levy are husband and wife. They obtain their share interest directly through Lux and indirectly through Universal Petroleum Properties, Ltd. being dissolved.
- (4) William Moss and J. Howard Marshall are equal co-owners of The Petroleum Corporation and the figures in respect of The Petroleum Corporation have been taken into consideration in their individual holdings so that the information with respect to The Petroleum Corporation reflects to that extent a double counting.

15. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.	See Schedule "D" on pages 24 - 25.												
16. Names, and addresses of persons whose shareholdings are large enough to materially affect control of the company.	It is believed that the present management is in such a position at the present time, subject to the acquisition of proxies from the largest registered shareholders shown in Item 15 and dependent upon representation at any meeting of shareholders. See also attachment No. 1.												
17. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.	<table><tr><td><u>Name of Company</u></td><td><u>No. of Shares</u></td><td><u>Cost</u></td><td><u>Market Value</u></td></tr><tr><td>Channel Oils Ltd. (1)</td><td>1,000</td><td>\$ 1,000.00</td><td>Not known</td></tr><tr><td>Permeator Corporation</td><td>20,000</td><td>\$105,062.50</td><td>\$150,000.00</td></tr></table> (1) Channel Oils Ltd. is a private company having an issued share capital of 1,000 shares.	<u>Name of Company</u>	<u>No. of Shares</u>	<u>Cost</u>	<u>Market Value</u>	Channel Oils Ltd. (1)	1,000	\$ 1,000.00	Not known	Permeator Corporation	20,000	\$105,062.50	\$150,000.00
<u>Name of Company</u>	<u>No. of Shares</u>	<u>Cost</u>	<u>Market Value</u>										
Channel Oils Ltd. (1)	1,000	\$ 1,000.00	Not known										
Permeator Corporation	20,000	\$105,062.50	\$150,000.00										
18. Brief statement of any lawsuits pending or in process against company or its properties.	None.												
19. The dates of and parties to and the general nature of every material contract entered into by the company which is still in effect and is not disclosed in the foregoing.	None.												
20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public.	There are no other material facts. None of Northland's shares are in the course of primary distribution to the public.												

CERTIFICATE OF THE COMPANY

DATED March 28th, 1972

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

"D. J. Bertling"

NORTHLAND OILS LIMITED

CORPORATE
SEAL

"J. L. Sewell"

CERTIFICATE OF UNDERWRITER OR OPTIONEE

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)

LUX PETROLEUM CORPORATION

Robert L. Landon